

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 June 19, 2008

RECEIVED
 APR 08 2013
 NMDCD ARTESIA

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.
 30-015-40989
 5. Indicate Type of Lease
 STATE FEE
 6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
LRE OPERATING, LLC

3. Address of Operator
 c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401

4. Well Location
 Unit Letter I : 1655 feet from the SOUTH line and 330 feet from the EAST line
 Section 30 Township 17-S Range 28-E NMPM Eddy County

7. Lease Name or Unit Agreement Name
STALEY STATE

8. Well Number **#21**

9. OGRID Number **281994**

10. Pool name or Wildcat
 Red Lake, Glorieta-Yeso NE (96836)

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3615' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>		OTHER: Completion <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>			

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On 3/29/13, PT 5-1/2" csg to 5000 psi for 30 min-OK. Perfed lower Yeso @ 4350', 62', 68', 80', 86', 96', 4406', 12', 24', 38', 40', 46', 56', 60', 74', 80', 86', 92', 4506', 12', 18', 26', 32', 40', 46', 52', 60', 66', 80' w/1-0.42" spf. Total 29 holes. On 4/2/13, treated w/3000 gal 15% HCL acid & 44 perf balls. Fraced lower Yeso w/49,988# 16/30 Brady & 19,452# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 4325'. PT csg & CBP to 4000 psi-OK. Perfed middle Yeso @ 4000', 10', 16', 24', 30', 38', 50', 56', 64', 72', 78', 88', 94', 4100', 06', 14', 20', 26', 32', 38', 54', 60', 66', 76', 88', 94', 4202', 10', 18', 30', 40', 46', 58', 74', 80', 86', 4300' w/1-0.42" spf. Total 37 holes. Treated perfs w/3000 gal 15% HCL acid & 56 perf balls. Fraced w/65,200# 16/30 Brady & 23,369# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 3980'. PT csg to 4000 psi-OK. Perfed upper Yeso @ 3668', 80', 94', 3712', 18', 24', 34', 42', 56', 64', 76', 86', 94', 3806', 14', 22', 30', 36', 44', 56', 64', 72', 78', 84', 90', 96', 3904', 14', 20', 28', 38', 44', 50' w/1-0.42" spf. Total 33 holes. Treated perfs w/3000 gal 15% HCL acid & 50 perf balls. Fraced w/59,423# 16/30 Brady & 21,844# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 3640'. PT csg to 4000 psi-OK. Perfed upper Yeso @ 3310', 15', 20', 25', 30', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 3400', 05', 10', 15', 20', 25', 30', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 3500', 05', 10', 20', 28', 36', 42', 54', 64', 70', 78', 86', 94', 3600', 10' w/1-0.40" spf. Total 53 holes. Treated perfs w/3570 gal 15% HCL acid & 80 perf balls. Fraced w/66,780# 16/30 Brady & 33,840# 16/30 siber prop sand in X-linked gel.

On 4/3/13, MIRUSU. Drilled CBPs @ 3640', 3980' & 4325' & CO to PBD-4918'. On 4/5/13, landed 2-7/8" 6.5# J-55 tbg @ 4658'. Ran pump & rods. Released completion rig on 4/5/13.

Spud Date: 3/21/13 Drilling Rig Release Date: 3/27/13

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE 4/8/13
 Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APPROVED BY RL Wade TITLE Dist R Supervisor DATE 4/11/13 aw
 Conditions of Approval (if any):